

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ATMOS ENERGY	)	
CORPORATION (ATMOS), THROUGH ITS DIVISION,	)	
WESTERN KENTUCKY GAS COMPANY OF	)	
OWENSBORO, KENTUCKY, FOR AN ORDER	)	CASE NO. 97-351
AUTHORIZING THE CREATION AND ISSUANCE OF	)	
1,500,000 SHARES OF COMMON STOCK THROUGH	)	
ITS DIRECT STOCK PURCHASE PLAN	)	

O R D E R

On August 11, 1997, Atmos Energy Corporation ("Atmos") filed an application through its division, Western Kentucky Gas Company ("Western"), seeking authority to create and issue up to 1,500,000 shares of its common stock, without par value, pursuant to its Direct Stock Purchase Plan ("Plan"). Western is subject to the jurisdiction of the Kentucky Public Service Commission ("Commission"); however, as a division of Atmos, it does not have a separate capital structure, and the securities are to be issued by Atmos subject to the approval of this Commission. The shares are to be issued and sold in monthly increments to satisfy the Plan purchase levels until the proposed issuance is exhausted. The net proceeds from the sale of these securities will be expended for general corporate purposes.

On November 6, 1997, Atmos provided additional details of the Plan and its operation in response to the Commission's Order of October 23, 1997.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the creation and issuance of the above securities by Atmos are for lawful objects within the corporate purposes of Atmos's utility operations, are

necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair its ability to perform that service, are reasonably necessary and appropriate for such purposes, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Atmos is authorized to create and issue during 1997 and subsequent years up to 1,500,000 shares of its common stock pursuant to its Plan at prices to be determined according to the formula set forth in the Plan.

2. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.


3. Every six months from the date of this Order, Atmos shall file with this Commission a statement setting forth the number of shares issued through its Plan and the price received.


Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 2nd day of December, 1997.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director